

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 SPC-03 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 PA-04 PRS-01 USIA-15 ABF-01 PER-05

DRC-01 /166 W

----- 037951

P R 052042Z NOV 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC PRIORITY 6446

INFO AMEMBASSY BUENOS AIRES

AMEMBASSY LA PAZ

AMEMBASSY LIMA

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E.O. 11652: NA

TAGS: EFIN, CI

SUBJECT: FOREIGN EXCHANGE RATES

REF: SANTIAGO 4760

BEGIN UNCLASSIFIED

1. CENTRAL BANK ON NOVEMBER 2 RAISED BANKERS' RATE (MERCHANDISE IMPORT AND EXPORT) FROM E280 TO E285 PER DOLLAR AND LOWERED BROKERS' RATE (MOSTLY TOURISTS) FROM E850 TO E800. HOWEVER, OUTGOING CHILEAN TOURISTS STILL MUST PAY E1305, INCLUDING TAXES, FOR TICKETS AND FOREIGN EXCHANGE. NO CHANGE ANNOUNCED FOR E110 RATE FOR LARGE MINE COPPER EXPORTS. REGULATIONS REQUIRING NON-RESIDENTS OF CHILE TO EXCHANGE MINIMUM AMOUNTS OF HARD CURRENCY FOR EACH DAY OF STAY IN CHILE HAVE BEEN ELIMINATED.
END UNCLASSIFIED

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BEGIN LOU

2. COMMENT: TECHNOCRATS HAD PROPOSED TO GOC EXHCHANGE POLICY
OF FREQUENT MINI-DEVALUATIONS TO REFLECT RISE IN COST OF LIVING.
DEVALUATION IN BANKERS' RATE IN THIS INSTANCE WAS MUCH BELOW PRICE
INCREASES SINCE OCTOBER 1 WHEN RATES LAST CHANGED. EMBASSY
SOURCE SAYS GOC RATIONALE IN THIS CASE WAS BOTH TO MEET CRITICISM
FROM SOME QUARTERS THAT LAST DEVALUATION WAS TOO LARGE AND TO TRY
CREATE PSYCHOLOGICAL CLIMATE THAT RATE OF INFLATION IS SLOWING
RAPIDLY. REVALUATION OF BROKERS' RATE ALSO SUPPOSED TO REENFORCE
LATTER POINT. END LOU.

THOMPSON

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Message Attributes

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Capture Date: 01 JAN 1994
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
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Original Handling Restrictions: n/a
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US Department of State
EO Systematic Review
30 JUN 2005

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